

Hanover Public Schools

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HANOVER PUBLIC SCHOOLS SECTION 409A INFORMATION SHEET

This is to notify you that under IRS Regulation 409A, employers providing 10 month employees with an option of 21 or 26 payments must provide an election notice prior to the start of the following school year. Employees must provide the employer with a written notice of their election to avoid paying additional income tax on the amounts deferred. Amounts are considered deferred under a 26 week election. This election is irrevocable for the school year in question. However employees may change their election for future years provided they do so before the start of the school year. ***Should an employee not notify the school prior to the start of the school year or start working after the school year has started, the employee will be put on the default option of 21 payments as prescribed by the IRS.*** In the event of separation from service as defined in Section 409A of the Treasury Regulations, employees will be paid based on their per diem for the number of contract days worked.

Failure to complete and return your election prior to the start of the school year may subject you to a tax penalty of 20% on the salary deemed to be deferred by the IRS.

PAY PREFERENCE

In accordance with Section 409A (Tax Rules Defining Deferred Compensation for School Employees), I acknowledge that I have received written notice that, as an employee with a choice between a 21 or a 26 payment system, prior to the 2015-2016 school year, I must notify the employer, in writing, of the manner in which I wish to receive my pay.

Accordingly, I wish to receive my salary payment in the following manner:

_____ 21 Payments

_____ 26 Payments with payments 22 through 26 paid as a lump sum payment (with separate checks for each week) along with payment 21 in June

This election is irrevocable for the 2015-2016 school year. If I fail to submit written notice on a timely basis, I will be paid based on a 21 payment schedule. Failure to submit written notice on a timely basis may also subject me to a 20% tax penalty on any salary amounts deemed to be deferred by the IRS.

In the event of my separation from service as defined in Section 409A of the Treasury Regulations, if such separation from service occurs before the end of the payment period, I will be entitled to be paid at my per diem rate for the number of days worked but not yet paid from the beginning of the school year pay period until the date of my separation from service. Any adjustment will be included in my final paycheck.

This notice of payment election will continue for future years unless and until I provide a written notice of revocation prior to the start of such school year.

Name: _____ School: _____

Signature: _____ Date: _____

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The mission of the Hanover Public Schools is to guide every student to thrive in a global society.